



Examples of Abusive Auditing Practices in Alaska

Audit Abuse Example:

1). Our pharmacy had filled a prescription for patient who had been having chronic hives (itching) from auto-immune type disease. The patient had seen a specialist who had prescribed a high dose antihistamine at a dose of two tablets three times per day to dispense a 3 month supply with refills. The patient refilled the prescription approximately 5 months after the first fill.

We received a desk audit from the Insurance Company (Aetna) about a year after that and sent them a copy of the prescription. We later received notice from Aetna that they would be recouping the total cost of the prescription (including the dispensing fee) since the patient didn't refill the prescription until 5 months after the first date of the fill (i.e. patient wasn't always using six tablets per day). We received no electronic notification of concern from Aetna at the time we dispensed the prescription (which is done in real time). We spent considerable time with the doctor's office getting a letter to document the patient's ongoing need for the medication in order to fight the recoupment.

We shouldn't have needed to do this since we filled the prescription as written and verified the need and dose at the original time of dispensing.

2). CareMart called our pharmacy and requested audit on 21 prescriptions; they would only give me the numbers over the phone and would not fax because they want deniability. It took a lot of time to comply with their audit.

3). One issue I remember was from a pharmacy in Alaska by Express Scripts. They were taking back our payment because of a transferred Rx. They were not accepting a prescription copy because at the time of transfer the prescription image was not sent correctly between the two Kroger Pharmacies. The pharmacist transcribed the information on an Rx blank with all the information. They were not accepting this, even though state law says this is good enough. I did appeal and win this.

4). In February, 2011 our pharmacy received notice of a large desk audit to be performed. The audit was for prescriptions from 2008 and over 100 prescriptions were involved. All of these prescriptions had to be copied, printed, signature logs, etc. - so it was very time consuming, especially since all of the records were from over 3 years ago. This was completed and sent to the auditors. Then we were notified that they were going to also do an on-site audit of these and other prescriptions.

In August of this year - 2 auditors arrived at our store and I spent the entire day answering their questions, pulling files, and finding documentation. They were not very well knowledgeable in pharmacy as many of their questions were not good questions. So, we made it through that and I was told we would be receiving a final report in a few weeks.

That report arrived and I was very pleased when I read the first few pages. Out of over \$103,000 in claims reviewed - we had \$89 in errors according to the auditors. However, when I got to the last page - through their "one-sided confidence extrapolation method" (their name for this) - they said I owed over \$7,300! I called the auditors to no avail.

Since this - I have just hired a lawyer to help in disputing this claim. Most companies only use extrapolation when the error rate is over 5%. Ours was less than 0.1%! The last audit we had a few years ago - we had a zero repay. Being told to repay over \$7000 is just not right!

5). Our pharmacy received a desk audit from ACS Audit and Compliance Solutions who was contracted by the Pharmacy Benefit Manager Healthspring. The letter was dated November 9, 2011 and we received the letter on November 14, 2011. All requested documentation had to be postmarked by 12/9/2011. On the 12/9/11 we mailed all documentation to ACS. On January 24, 2012 we received the results of the audit via UPS in a letter dated 1/17/12. The report indicated that "the signature documenting receipt of pharmacy services cannot be found in the signature logs" for one prescription. Because of this missing signature, the plan was going to deduct the entire amount of that prescription from a future remittance. This prescription was correctly filled for a legitimate purpose and mailed to the patient in Haines Alaska. To prevent this recoupment by the audit company, our pharmacy has had to send an affidavit to the patients daughter (the patient has since passed away from cancer) so she can sign to verify that they did indeed receive the medication. All supporting documentation was due back to ACS by 2/6/12. This pharmacy had to request and was granted a one week extension to this deadline. As of today, 2/9/12 the pharmacy has not received the affidavit, and has called for another extension but has not heard back from ACS. This pharmacy has already dispensed the medication correctly, the patient has taken the medication as prescribed, but because of a procedural error, the plan is attempting to recoup the entire amount of the prescription from the pharmacy.